

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 DHA-02

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R 101210Z AUG 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 7252

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

C O N F I D E N T I A L BRASILIA 6992

E.O. 11652: GDS

TAGS: PGOV, PINT, BR

SUBJ: PRESIDENT GEISEL RE-EMPLOYS IA-5

1. SUMMARY: PRESIDENT GEISEL BASED ON INSTITUTIONAL ACT NO. 5 (IA-5) ON AUGUST 4 SUSPENDED FOR TEN YEARS THE POLITICAL RIGHTS OF SIX PEOPLE INVOLVED IN CORRUPTION IN RIO GRANDE DO NORTE STATE DURING PRIOR STATE ADMINISTRATION. AMONG THOSE AFFECTED WERE EX-STATE GOVERNOR AND AN ARENA FEDERAL DEPUTY WHO WAS ALSO CASSATED. ARENA AND MDB TOOK TRADITIONAL POSITIONS IN SUPPORT OF AND OPPOSITION RESPECTIVELY OF THIS FURTHER USE OF IA-5, BUT BY END OF WEEK, MEASURE HAD BEEN ACCEPTED BY PUBLIC OPINION. END SUMMARY.

2. ON AUGUST 4, 1976, MINISTRY OF JUSTICE AND PRESIDENTIAL PALACE ANNOUNCED THAT PRESIDEN GEISEL, BASED ON IA-5, HAD SUSPENDED FOR TEN YEARS THE POLITICAL RIGHTS OF SIX PEOPLE INVOLVED IN CORRUPTION IN RIO GRANDE DO NORTE STATE DURING PRIOR STATE ADMINISTRATION. ONE OF THE SIX, A FEDERAL DEPUTY, WAS ALSO CASSATED (LOST HIS SEAT IN CONGRESS).

3. THOSE PUNISHED WERE: EX-GOVERNOR OF RIO GRANDE DO NORTE STATE, JOSE CORTEZ PEREIRA DE ARAUJO; HIS TWO BROTHERS BENVENUTO PEREIRA DE ARAUJO NETO AND TARCISIO PEREIRA DE  
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ARAUJO, EX-PRESIDENT OF STATE ELECTRIC COMPANY AND EX-

DIRECTOR STATE DEVELOPMENT BANK RESPECTIVELY; ARIMAR FRANCA, FORMER PRESIDENT OF THE STATE DEVELOPMENT BANK; ALCIMAR DE ALMEIDA E SILVA, EX-PRESIDENT OF A NOW ABOLISHED STATE SOCIAL WELFARE FOUNDATION, AND FEDERAL DEPUTY NEY LOPES DE SOUZA (ARENA) ELECTED IN 1974 AFTER HAVING BEEN SECRETARY OF JUSTICE AND COMMERCIAL DIRECTOR OF STATE ELECTRIC COMPANY UNDER GOVERNOR CORTEZ PEREIRA.

4. PRESIDENTIAL DECISION RESULTED FROM INTENSIVE INVESTIGATION OF MASSIVE CORRUPTION DURING CORTEZ PEREIRA ADMINISTRATION (1971-1975) WHICH HAS BEEN UNDERWAY FOR A YEAR. INVESTIGATION INVOLVES NOT ONLY THE SIX WHO LOST THEIR POLITICAL RIGHTS BUT ALSO A NUMBER OF OTHERS.

5. IN ANNOUNCING MEASURE, JUSTICE MINISTRY WAS CAREFUL TO STRESS THAT PRESIDENTIAL ACTION DOES NOT PREJUDICE LEGAL ACTIONS NOW UNDERWAY AS RESULT OF INVESTIGATION. JORNAL DO BRASIL ON AUGUST 5 COMMENTED ON THE DECISION BY NOTING IT WELCOMED OVERDUE PUNISHMENT OF THESE CORRUPT OFFICIALS BUT REGRETTED USE OF EXCEPTIONAL MEASURE RATHER THAN NORMAL JUDICIAL PROCEDURES ALTHOUGH IT NOTED JUDICIAL INACTION THIS FLAGRANT CASE OF CORRUPTION. EDITORIAL NOTED ALSO THAT GOVERNOR CORTEZ PEREIRA HAD BEEN SELECTED BY MEDICI GOVERNMENT RATHER THAN ELECTED AND THAT HE WAS SECOND OF 22 SUPPOSEDLY HAND-PICKED GOVERNORS CHOSEN IN 1970 WHO TURNED OUT TO BE CORRUPT. PRESTIGIOUS JORNAL DO BRASIL POLITICAL COMMENTATOR CASTELLO BRANCO ON SAME DAY PICKED UP LATTER THEME AND POINTED OUT ONE REASON FOR NAMING RATHER ELECTING GOVERNORS WAS TO AVOID CORRUPTION. HE SUGGESTED THAT, IN VIEW RECORD OF GOVERNMENT-PICKED GOVERNORS, ALLOWING THEIR ELECTION BY PEOPLE CLEARLY NO MORE RISKY IN TERMS OF CORRUPTION. HE ALSO MADE POINT IT PREFERABLE TO HAVE PEOPLE'S CHOICE TURN CORRUPT THAN HAVE CORRUPTION IMPOSED BY THE GOVERNMENT OF THE REVOLUTION. O ESTADO HAD STRONG EDITORIAL ON AUG 6 MAKING SAME POINTS AS JORNAL DO BRASIL.

6. POLITICAL REACTION WAS PREDICTABLY PARTISAN. ARENA SUPPORTS PRESIDENT'S USE OF IA-5 (THOSE PUNISHED IN THIS CASE ARE ALL CONNECTED WITH ARENA). MDB OPPOSES USE OF CONFIDENTIAL

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EXCEPTIONAL LEGISLATION AS A VIOLATION OF CIVIL RIGHTS AND DEPLORED THIS LATEST APPLICATION IF IA-5. SOME MDB POLITICIANS SUGGESTED USE OF IA-5 IN CASES OF CORRUPTION INTENDED TO POPULARIZE AND ACCUSTOM PEOPLE TO ITS USE. MDB PRESIDENT ULYSSES GUIMARAES RELEASED AN MDB NOTE WHICH, WITHOUT JUDGING THE MERIT OF THE CHARGES AND SUPPORTING JUDICIAL PUNISHMENT OF LAW VIOLATORS, EMPHASIZED THAT "AN INJUSTICE AGAINST ONE IS A GRAVE THREAT AGAINST EVERYONE." ARENA POLITICIANS

PROMISED A NOTE IN RESPONSE. THERE WERE, AS USUAL, RUMORS OF MORE CASSATIONS TO COME AND O ESTADO DE SAO PAULO COMMENTED THAT SOME MDB POLITICIANS FEARED PRESIDENT'S ACTION INTENDED AS INTIMIDATION CONNECTED ITH NOVEMBER MUNICIPAL ELECTIONS.

7. COMMENT: PRESIDENT GEISEL, PRIOR TO THIS LATEST DECISION, HAS SUSPENDED THE POLITICAL RIGHTS OF NINE PERSONS BASED ON IA-5. SEVEN OF THESE WERE ELECTED OFFICIALS WHO WERE ALSO CASSATED. FOUR OF THE NINE WERE PUNISHED FOR CORRUPTION AND FIVE FOR POLITICAL REASONS. EVERYTHING INDICATES THIS LATEST USE OF IA-5 HAS BEEN ACCEPTED BY PUBLIC OPINION. IN FACT TWO DAYS AFTER MEASURE ANNOUNCED, NEWSPAPERS AND POLITICIANS HAD SHIFTED THEIR ATTENTION TO HOTTER ISSUE OF ABUSES BY SENIOR CIVIL SERVANTS. END COMMENT.  
CRIMMINS

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